

BUSINESS REPORT

MONTANA SENATE TAXATION COMMITTEE 62nd LEGISLATURE ~ REGULAR SESSION

Date: March 15, 2011

Place: Capitol

Time: 8:00 A.M.

Room: 405

BILLS and RESOLUTIONS HEARD:

HB 333

SB 398

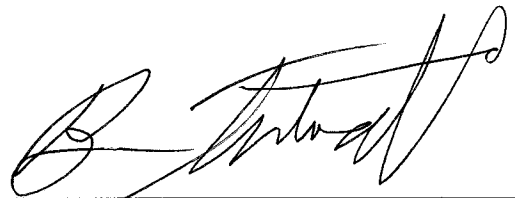
SB 399

EXECUTIVE ACTION TAKEN:

SB 253 ~ Do Pass As Amended

SB 358 ~ Do Pass As Amended

COMMENTS:



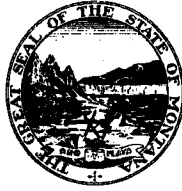
Senator Bruce Tutvedt, Chairman

MONTANA STATE SENATE
ROLL CALL
TAXATION
COMMITTEE

DATE: March 15, 2011

| NAME | PRESENT | ABSENT/ EXCUSED |
|------------------|---------|--------------------|
| Chairman Tutvedt | | ✓ |
| Vice Chair Lake | ✓ | |
| Senator Arthun | ✓ | |
| Senator Branae | ✓ | |
| Senator Erickson | ✓ | |
| Senator Essmann | | ✓ |
| Senator Gillan | | ✓ |
| Senator Kaufmann | ✓ | |
| Senator Peterson | | ✓ |
| Senator Van Dyk | ✓ | |
| Senator Vincent | | ✓ |
| Senator Wittich | ✓ | |

12 Committee Members



SENATE STANDING COMMITTEE REPORT

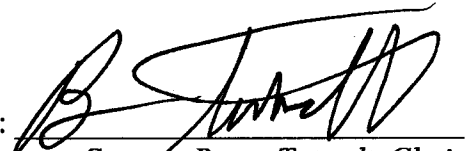
March 15, 2011

Page 1 of 2

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 253** (second reading copy -- yellow) **do pass as amended.**

Signed:


Senator Bruce Tutvedt, Chair

And, that such amendments read:

1. Title, page 1, line 8.

Strike: "THE QUALIFIED ENDOWMENTS CREDIT,"

2. Title, page 1, line 22.

Strike: "15-1-230,"

3. Title, page 1, line 23.

Strike: "15-30-2327, 15-30-2328, 15-30-2329,"

4. Title, page 1, line 24.

Strike: "15-31-161, 15-31-162,"

5. Page 30, line 3.

Strike: line 3 in its entirety

6. Page 30, line 6 through line 9.

Strike: line 6 through line 9 in their entirety

7. Page 30, line 16 through line 20.

Strike: line 16 through line 20 in their entirety

8. Page 32, line 22.

Insert: "COORDINATION SECTION. **Section 18. Coordination instruction.** If Senate Bill No. 372 is not passed and approved, then [this act] is void."

Renumber: subsequent section

Committee Vote:

Yes 7, No 5

Fiscal Note Required ☐

SB0253002SC.sdr





SENATE STANDING COMMITTEE REPORT

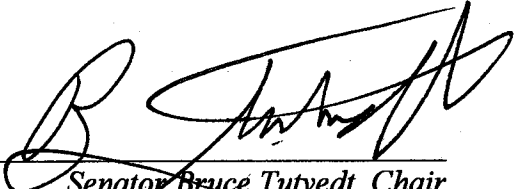
March 15, 2011

Page 1 of 6

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 358** (first reading copy -- white) do pass as amended.

Signed:


Senator Bruce Tutvedt, Chair

And, that such amendments read:

1. Title, line 4.

Strike: "URBAN RENEWAL AND"

2. Title, line 6.

Strike: "URBAN RENEWAL AREAS AND"

3. Title, page 1, line 7.

Following: "FINANCING;"

Insert: "REMOVING SCHOOL RETIREMENT AND STATE SCHOOL MILLS FROM
THE INCREMENTAL VALUE WITHIN TAX INCREMENT FINANCE
PROVISIONS FOR AN AREA OR DISTRICT THAT EXCEEDS 640 ACRES,
INCLUDING ADJACENT AREAS OR DISTRICTS;"

4. Title, line 10 through line 15.

Strike: "7-15-4202" on line 10 through "7-15-4281," on line 15

Strike: "7-15-4285," on line 15

Strike: "7-15-4287," on line 15

5. Title, line 16.

Strike: "7-15-4289,"

Strike: "7-15-4291,"

6. Title, line 17.

Strike: "7-15-4305" through "7-15-4323,"

Insert: "AND"

Following: "7-15-4324,"

Committee Vote:

Yes 10, No 2

Fiscal Note Required ☐

SB0358001SC.sdr

OK

Strike: "AND 71-3-1506,"

7. Page 1, line 27.

Strike: "local governments"

Insert: "municipalities"

8. Page 1, line 29.

Strike: "local governments"

Insert: "municipalities"

9. Page 1, line 30.

Following: "impeding"

Strike: "the"

Insert: "their"

Following: "ability"

Strike: "of local governments"

10. Page 2, line 8.

Strike: "local governing body"

Insert: "municipality"

11. Page 2, line 19 through line 20.

Strike: "local governing body"

Insert: "municipality"

12. Page 2, line 23.

Strike: "local governing body"

Insert: "municipality"

13. Page 2, line 24.

Strike: "local governing body"

Insert: "municipality"

14. Page 3, line 7.

Strike: "local governing body"

Insert: "municipality"

15. Page 3, line 9.

Strike: "local government"

Insert: "municipality"

16. Page 3, line 10 through line 11.

Strike: "local government"

Insert: "municipality"

17. Page 3, line 13 through page 26, line 6.

Strike: section 5 through section 45 in their entirety

Renumber: subsequent sections

18. Page 26, line 18.

Following: "7-15-4294"

Insert: "and [sections 1 through 4]"

19. Page 27.

Following: line 15

Insert: "(4) "Municipality", for the purposes of a targeted economic development district, means any incorporated city or town, a county, or a city-county consolidated local government."

ReNUMBER: subsequent subsections

20. Page 28, line 5.

Strike: "local government"

Insert: "municipality"

21. Page 28, line 9.

Strike: "resolution,"

22. Page 28, line 12 through line 16.

Strike: section 49 in its entirety

ReNUMBER: subsequent sections

23. Page 28, line 27 through line 28.

Following: "bodies"

Insert: "as specified in subsection (2)(b)"

Strike: ", except for the university system mills levied and assessed against property," on lines 27 and 28

24. Page 28, line 29.

Strike: "local government"

Insert: "municipality"

25. Page 28.

Following: line 29

Insert: "(b) If the size of the area or district is less than 640 acres, the tax increment does not include university system mills assessed against the property. If the size of the area or district is 640 acres or greater or if the acreage of other areas or districts within 5 miles of the boundary of the area or district when added to the number of acres in the area or district equals or exceeds 640 acres, the tax increment does not include university system mills or school mills levied under 20-9-331, 20-9-333, and 20-9-360."

ReNUMBER: subsequent subsections

26. Page 29, line 3 through line 19.

Strike: section 51 in its entirety

ReNUMBER: subsequent sections

27. Page 29, line 23.
Strike: "local governing body"
Insert: "municipality"
28. Page 30, line 15.
Strike: "local government"
Insert: "municipality"
29. Page 31, line 1 through line 4.
Strike: section 53 in its entirety
Renumber: subsequent sections
30. Page 31, line 22.
Strike: "local government"
Insert: "municipality"
31. Page 31, line 25.
Strike: "local government"
Insert: "municipality"
32. Page 31, line 28.
Strike: "local government"
Insert: "municipality"
33. Page 31, line 30.
Strike: "local government"
Insert: "municipality"
34. Page 32, line 4 through line 8.
Strike: section 55 in its entirety
Renumber: subsequent sections
35. Page 32, line 20.
Strike: "local government"
Insert: "municipality"
36. Page 32, line 23 through line 24.
Strike: "local government"
Insert: "municipality"
37. Page 33, line 19.
Strike: "local"
38. Page 33, line 20.
Following: "municipality"
Insert: "of a municipality"
39. Page 33, line 22.

Strike: "local governing body"

Insert: "municipality"

40. Page 34, line 10.

Strike: "local governing body"

Insert: "municipality"

41. Page 35, line 1.

Strike: "local"

Following: "municipality"

Insert: "of the municipality"

42. Page 35, line 7.

Strike: "local government"

Insert: "municipality"

43. Page 35, line 9.

Strike: "local governing body's"

Insert: "municipality's"

44. Page 35, line 16.

Strike: "local government"

Insert: "municipality"

45. Page 35, line 23 through line 24.

Strike: "local government"

Insert: "municipality"

46. Page 35, line 25.

Strike: "local government"

Insert: "municipality"

47. Page 35, line 29.

Strike: "local government"

Insert: "municipality"

48. Page 35, line 30.

Strike: "local government"

Insert: "municipality"

49. Page 36, line 1.

Strike: "local government"

Insert: "municipality"

50. Page 36, line 5 through line 6.

Strike: "local government"

Insert: "municipality"

51. Page 36, line 9.

Strike: "local"
Following: "municipality"
Insert: "of the municipality"

52. Page 36, line 18.
Strike: "local government"
Insert: "municipality"

53. Page 36, line 21 through line 22.
Strike: "local government"
Insert: "municipality"

54. Page 36, line 27.
Strike: "local government"
Insert: "municipality"

55. Page 37, line 1.
Strike: "local governing body"
Insert: "municipality"

56. Page 37, line 8.
Strike: "local government"
Insert: "municipality"

57. Page 37, line 15 through page 39, line 3.
Strike: section 62 through section 65 in their entirety
Renumber: subsequent sections

58. Page 39, line 13.
Strike: "local"

59. Page 39, line 16.
Strike: "local governing body"
Insert: "municipality"

60. Page 39, line 20 through line 23.
Strike: section 67 in its entirety
Renumber: subsequent sections

61. Page 39, line 29 through line 30.
Strike: "local governing body"
Insert: "municipality"

- END -

MONTANA STATE SENATE ROLL CALL VOTE

TAXATION COMMITTEE

DATE: March 15, 2011

BILL NO: SB253 MOTION: be amended

| NAME | AYE | NAY | PROXY |
|------------------|-----|-----|-------|
| Vice Chair Lake | ✓ | | |
| Senator Arthun | ✓ | | |
| Senator Branae | ✓ | | |
| Senator Erickson | | ✓ | |
| Senator Essmann | ✓ | | ✓ |
| Senator Gillan | ✓ | | |
| Senator Kaufmann | | ✓ | |
| Senator Peterson | ✓ | | ✓ |
| Senator Van Dyk | ✓ | | |
| Senator Vincent | ✓ | | ✓ |
| Senator Wittich | ✓ | | |
| Chairman Tutvedt | ✓ | | |

12 Committee Members

Vote: 10-2
passes

MONTANA STATE SENATE ROLL CALL VOTE

TAXATION COMMITTEE

DATE: March 15, 2011 (Sen. Gillan)

BILL NO: 253 MOTION: Table

| NAME | AYE | NAY | PROXY |
|------------------|-----|-----|-------|
| Vice Chair Lake | | ✓ | |
| Senator Arthun | | ✓ | |
| Senator Branae | ✓ | | |
| Senator Erickson | ✓ | | |
| Senator Essmann | | ✓ | ✓ |
| Senator Gillan | ✓ | | |
| Senator Kaufmann | ✓ | | |
| Senator Peterson | | ✓ | ✓ |
| Senator Van Dyk | ✓ | | |
| Senator Vincent | | ✓ | ✓ |
| Senator Wittich | | ✓ | |
| Chairman Tutvedt | | ✓ | |

12 Committee Members

5-7 fails

Vote: _____

MONTANA STATE SENATE ROLL CALL VOTE

TAXATION COMMITTEE

DATE: March 15, 2011

BILL NO: SB253 MOTION: dpad

| NAME | AYE | NAY | PROXY |
|------------------|-----|-----|-------|
| Vice Chair Lake | ✓ | | |
| Senator Arthun | ✓ | | |
| Senator Branae | | ✓ | |
| Senator Erickson | | ✓ | |
| Senator Essmann | ✓ | | ✓ |
| Senator Gillan | | ✓ | |
| Senator Kaufmann | | ✓ | |
| Senator Peterson | ✓ | | ✓ |
| Senator Van Dyk | | ✓ | |
| Senator Vincent | ✓ | | ✓ |
| Senator Wittich | ✓ | | |
| Chairman Tutvedt | ✓ | | |

12 Committee Members

7-5

Vote: passes

MONTANA STATE SENATE ROLL CALL VOTE

TAXATION COMMITTEE

DATE: March 15, 2011

BILL NO: SB 358 MOTION: sect # 23
of prev. adopted
amendment

| NAME | AYE | NAY | PROXY |
|------------------|-----|-----|-------|
| Vice Chair Lake | | ✓ | |
| Senator Arthun | ✓ | | |
| Senator Branae | | ✓ | |
| Senator Erickson | | ✓ | |
| Senator Essmann | | ✓ | ✓ |
| Senator Gillan | | ✓ | ✓ |
| Senator Kaufmann | | ✓ | |
| Senator Peterson | | ✓ | ✓ |
| Senator Van Dyk | | ✓ | |
| Senator Vincent | | ✓ | ✓ |
| Senator Wittich | ✓ | | |
| Chairman Tutvedt | | ✓ | |

12 Committee Members

Vote: 2-10 fails

MONTANA STATE SENATE ROLL CALL VOTE

TAXATION COMMITTEE

DATE: March 11, 2011

BILL NO: SB 358 MOTION: dpa

| NAME | AYE | NAY | PROXY |
|------------------|-----|-----|-------|
| Vice Chair Lake | ✓ | | |
| Senator Arthun | | ✓ | |
| Senator Branae | ✓ | | |
| Senator Erickson | ✓ | | |
| Senator Essmann | ✓ | | ✓ |
| Senator Gillan | ✓ | | ✓ |
| Senator Kaufmann | ✓ | | |
| Senator Peterson | ✓ | | ✓ |
| Senator Van Dyk | ✓ | | |
| Senator Vincent | ✓ | | ✓ |
| Senator Wittich | | ✓ | |
| Chairman Tutvedt | ✓ | | |

12 Committee Members

Vote: 10-2

**AUTHORIZED
SENATE COMMITTEE PROXY**

I, Senator Kim Gillan, request to be excused from the
TAXATION COMMITTEE
 due to my other commitment. I desire to leave my proxy vote with:

Kendall Van Dyke

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

[illegible][illegible]

Sen. Kim Sells
(Signature)

Date 3/1

**AUTHORIZED
SENATE COMMITTEE PROXY**

I, Senator Jim Peterson, request to be excused from the

TAXATION COMMITTEE

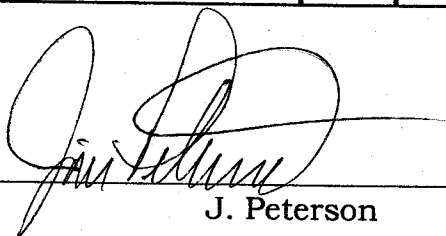
due to my other commitment. I desire to leave my proxy vote with:

Vice Chairman Bob Lake

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

| BILL/AMENDMENT | AYE | NO |
|------------------|-------------------------------------|-------------------------------------|
| SB 253 Amendment | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| SB 253 A | <input type="checkbox"/> | <input type="checkbox"/> |
| SB 253 Table | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| SB 253 A | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| SB 358 #23 | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| SB 358 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |

| BILL/AMENDMENT | AYE | NO |
|----------------|--------------------------|--------------------------|
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> |

Sen.  _____
J. Peterson

Date _____

**AUTHORIZED
SENATE COMMITTEE PROXY**

I, Senator Chas Vincent, request to be excused from the

TAXATION COMMITTEE

due to my other commitment. I desire to leave my proxy vote with:

Vice Chairman Bob Lake

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

| BILL/AMENDMENT | AYE | NO |
|--------------------|-----|----|
| SB 253 Amendment + | | |
| SB 253 A | | |
| SB 253 Table | | + |
| SB 253 A | + | |
| SB 358 #23 | | + |
| SB 358 | + | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

| BILL/AMENDMENT | AYE | NO |
|----------------|-----|----|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Sen. C. Vincent
C. Vincent

Date _____

~~AUTHORIZED~~
~~SENATE COMMITTEE PROXY~~

I, Senator Jeff Essmann, request to be excused from the

TAXATION COMMITTEE

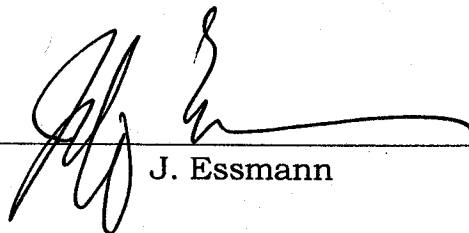
due to my other commitment. I desire to leave my proxy vote with:

Vice Chairman Bob Lake

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

| BILL/AMENDMENT | AYE | NO | BILL/AMENDMENT | AYE | NO |
|----------------|-----|----|----------------|-----|----|
| SB 253 Amended | X | | | | |
| SB 253 A | | | | | |
| SB 253 Table | | X | | | |
| SB 253 A | X | | | | |
| SB 358 # 23. | | X | | | |
| SB 358 | X | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Sen. _____


J. Essmann

Date _____

VISITORS REGISTER

MONTANA SENATE
TAXATION COMMITTEE

Date: March 15, 2011 Bill No: HB 333

Sponsor: Representative Scott Reichner

*(Include bank repossessions & other sales in property reappraisal comparables)**Please print ~ Please print ~ Please print ~ Please print*

| NAME | REPRESENTING | Support | Oppose | Informat'l |
|--------------------|--------------|---------|--------|------------|
| ALAN PEURA | Dept of Rev | | X | |
| Cynthia Montemayor | Dept of Rev | | X | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

*Please leave prepared testimony with Committee Secretary. Witness Statement
Forms are available if you prefer to submit written testimony.*

VISITORS REGISTER

MONTANA SENATE TAXATION COMMITTEE

Date: March 15, 2011 Bill No: SB 398

Sponsor: Senator Christine Kaufmann

(Adding a high income personal income tax bracket to increase progressivity)

Please print ~ Please print ~ Please print ~ Please print

| NAME | REPRESENTING | Support | Oppose | Informat'l |
|-----------------|----------------------|---------|--------|------------|
| Joseph Sherlin | MSCPA | | ✓ | |
| Jon Bennison | MT Chamber | | ✓ | |
| Molly Sewertson | The Policy Institute | ✓ | | |
| Brian Olsen | Revenue | | | ✓ |
| Dan Dadds | Revenue | | | ✓ |
| Tara Veazey | MBPC | ✓ | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

*Please leave prepared testimony with Committee Secretary. Witness Statement
Forms are available if you prefer to submit written testimony.*

VISITORS REGISTER

MONTANA SENATE
TAXATION COMMITTEE

Date: March 15, 2011 Bill No: SB 399

Sponsor: Senator Christine Kaufmann

*(Decouple from federal domestic production deduction)**Please print ~ Please print ~ Please print ~ Please print*

| NAME | REPRESENTING | Support | Oppose | Informat'l |
|-----------------|----------------------|---------|--------|------------|
| Joseph Shevlin | MSCPA | | ✓ | |
| Nancy Schlepp | Montax | | ✓ | |
| Molly Sewertson | The Policy Institute | ✓ | | |
| DAVE GALT | mpa | | X | |
| Brian Olsen | Revenue | | | + |
| Lee Baerleher | DOR | | | X |
| Jon Bennison | MT Chamber | | ✓ | |
| Steve Cleverden | DOR | | | π |
| TARA VEASEY | MBPC | ✓ | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

*Please leave prepared testimony with Committee Secretary. Witness Statement
Forms are available if you prefer to submit written testimony.*